

**CITY OF ABILENE, KANSAS**

**FINANCIAL STATEMENT**

**WITH INDEPENDENT AUDITOR'S REPORT**

**AND**

**REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION**

December 31, 2015

**CITY OF ABILENE, KANSAS**  
**TABLE OF CONTENTS**  
December 31, 2015

	<u>Page Number</u>
<b>Independent Auditor's Report</b>	1 - 3
<b>Statement 1</b>	
Statement of Cash Receipts, Expenditures and Unencumbered Cash	4 - 5
<b>Notes to Financial Statement</b>	6 - 15
<b>Regulatory-Required Supplemental Information</b>	
<b>Schedule 1</b>	
Summary of Expenditures - Actual and Budget	16
<b>Schedule 2</b>	
<b>Schedule of Receipts and Expenditures - Actual and Budget</b>	
<i>General Fund</i>	17 - 19
<i>Special Purpose Funds</i>	
<i>Airport Fund</i>	20
<i>Fire Apparatus Fund</i>	21
<i>Special Park and Recreation Fund</i>	21
<i>Special Alcohol and Drug Fund</i>	22
<i>Library Fund</i>	22
<i>Tourism and Convention Fund</i>	23
<i>Special Street Fund</i>	23
<i>Recreation Commission Fund</i>	24
<i>Capital Improvement Fund</i>	25
<i>Equipment Reserve Fund</i>	26
<i>Community Center Fund</i>	26
<i>Library/Pool Renovation Fund</i>	26
<i>Sales Tax Street Fund</i>	27
<i>Debt Service Funds</i>	
<i>Bond and Interest Fund</i>	28
<i>Capital Project Funds</i>	
<i>Dawson Cottage Division Fund</i>	29
<i>Business Funds</i>	
<i>Water Utility Fund</i>	30
<i>Sewer Utility Fund</i>	31
<i>Equipment Reserve - Water Fund</i>	32
<i>Equipment Reserve - Sewer Fund</i>	32
<i>Recycling Fund</i>	33
<i>Storm Drain Fund</i>	33
<b>Schedule 3</b>	
<i>Agency Funds</i>	
<i>Municipal Court and Payroll Clearing</i>	34
<b>Schedule 4</b>	
<i>Related Municipal Entity</i>	
<i>Public Building Commission</i>	35

**CITY OF ABILENE, KANSAS**  
**TABLE OF CONTENTS**  
December 31, 2015

	<b>Page Number</b>
<b>Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></b>	36 - 37
<b>Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance In Accordance with the Uniform Guidance</b>	38 - 40
<b>Schedule of Expenditures of Federal Awards</b>	41
<b>Schedule of Findings and Questioned Costs</b>	42
<b>Summary Schedule of Prior Audit Findings</b>	43



July 28, 2016

Mayor and City Council  
City of Abilene, Kansas

### Independent Auditor's Report

We have audited the accompanying summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Abilene, Kansas (the City), as of and for the year ended December 31, 2015, and the related notes to the financial statement.

#### Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 to the financial statement, the financial statement is prepared by the City to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

July 28, 2016  
City of Abilene, Kansas  
(Continued)

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2015, or changes in financial position and cash flows thereof for the year then ended.

### **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2015, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

### **Report on Regulatory-Required Supplemental Information**

Our audit was conducted for the purpose of forming an opinion on the summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of expenditures - actual and budget - regulatory basis and individual fund schedules of receipts and expenditures - actual and budget - regulatory basis (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however they are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

### **Additional Information**

The 2014 Actual column presented in the individual fund schedules of receipts and expenditures - actual and budget - regulatory basis (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2015 financial statement upon which we rendered an unmodified opinion dated July 28, 2016. The 2014 basic financial statement and the accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such prior year comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the prior year basic financial statement. The 2014 comparative information was subjected to the auditing procedures applied in the audit of the 2014 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2014 basic financial statement or to the 2014 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2014 comparative information is fairly stated in all material respects in relation to the 2014 basic financial statement as a whole, on the basis of accounting described in Note 1.

July 28, 2016  
City of Abilene, Kansas  
(Continued)

**Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance**

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statement as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Vaney & Associates, CPAs, LLC*

Certified Public Accountants  
Manhattan, Kansas

**CITY OF ABILENE, KANSAS**  
**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH**  
**Regulatory Basis**  
For the Year Ended December 31, 2015

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ 1,284,604	\$ -	\$ 4,245,934	\$ 4,142,439	\$ 1,388,099	\$ 37,605	\$ 1,425,704
Special Revenue Funds							
Airport Fund	210,319	-	2,336,383	2,510,917	35,785	-	35,785
Fire Apparatus Fund	42,394	-	55,301	49,548	48,147	-	48,147
Special Park and Recreation Fund	50,521	-	36,920	34,233	53,208	-	53,208
Special Alcohol and Drug Fund	55,267	-	25,428	6,500	74,195	-	74,195
Library Fund	-	-	363,667	363,667	-	-	-
Tourism and Convention Fund	35,248	-	292,388	253,575	74,061	3,271	77,332
Special Street Fund	(31,537)	-	294,462	262,829	96	12,564	12,660
Recreation Commission Fund	169,226	-	460,998	411,259	218,965	703	219,668
Capital Improvement Fund	484,465	-	1,417	6,057	479,825	-	479,825
Equipment Reserve Fund	163,579	-	73,210	73,192	163,597	-	163,597
Community Center Fund	153,891	-	33	-	153,924	-	153,924
Library/Pool Renovation Fund	297,803	-	499,678	449,763	347,718	-	347,718
Sales Tax Street Fund	146,701	-	343,082	296,636	193,147	-	193,147
Bond and Interest	(41,255)	-	862,244	778,830	42,159	-	42,159
Capital Projects Funds							
Dawson Cottage Division Fund	31,656	-	48,723	155,203	(74,824)	50	(74,774)
Business Funds							
Water Utility Fund	297,279	-	1,488,011	1,429,687	355,603	25,145	380,748
Sewer Utility Fund	1,340,278	-	1,342,377	1,522,685	1,159,970	54,291	1,214,261
Equipment Reserve - Water Fund	162,536	-	50,037	5,096.00	207,477	-	207,477

STATEMENT  
1

The accompanying notes are an integral part of this financial statement.  
See Independent Auditor's Report.

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# *Financial Statement*

**CITY OF ABILENE, KANSAS**  
**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH (CONTINUED)**  
**Regulatory Basis**  
For the Year Ended December 31, 2015

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Business Funds							
Equipment Reserve - Sewer Fund	\$ 630,960	\$ -	\$ 25,138	\$ -	\$ 656,098	\$ -	\$ 656,098
Recycling Fund	249,469	-	149,408	197,696	201,181	6,444	207,625
Storm Drain Fund	360,839	-	69,386	6,776	423,449	-	423,449
Related Municipal Entities							
Public Building Commission	\$ 385,604	\$ -	\$ 870,748	\$ 1,110,567	\$ 145,785	\$ -	\$ 145,785
<b>Total Reporting Entity (Excluding Agency Funds)</b>	<b>\$ 6,479,847</b>	<b>\$ -</b>	<b>\$ 13,934,973</b>	<b>\$ 14,067,155</b>	<b>\$ 6,347,665</b>	<b>\$ 140,073</b>	<b>\$ 6,487,738</b>

**Composition of Cash**

Checking Account	\$ 2,022,064
Money Market	352,592
Petty Cash	800
Certificates of Deposit	3,974,948
Total Related Municipal Entities	145,785
Total Cash	\$ 6,496,189
Agency Funds Per Schedule 3	(8,451)
<b>Total Reporting Entity (Excluding Agency Funds)</b>	<b>\$ 6,487,738</b>

**STATEMENT 1  
(CONTINUED)**

The accompanying notes are an integral part of this financial statement.  
See Independent Auditor's Report.

# *Financial Statement*

**CITY OF ABILENE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT**  
December 31, 2015

**Note 1: Summary of Significant Accounting Policies**

The City of Abilene, Kansas (the City) was chartered March 16, 1868 and provides the following services as authorized by its charter: public works, public safety, recreation and waterworks.

The Abilene Kansas Public Building Commission (PBC), a municipal corporation, was organized in 2007 by the governing body of the City pursuant to the Act and Ordinance No. 3098 of the City. The powers of the PBC were expanded by the governing body of the City pursuant to Charter Ordinance No. 21.

The USD #435 Recreation Commission activity is included in the City's financial information, as all transactions flow through the City of Abilene.

The more significant accounting policies of the City are described below:

***Municipal Financial Reporting Entity***

The City is a municipal corporation governed by an elected five-member Commission-Manager form of government. The regulatory financial statement presents the City, and a related municipal entity (RME), the PBC. The RME is included in the City's reporting entity because it was established to benefit the City and/or its constituents. The governing body of this RME is appointed by the governing body of the City and consists of five members who are the current members of the City's governing body.

***Regulatory Basis Fund Types***

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. In the financial statement in this report, the various funds are grouped into generic fund types and broad fund categories as follows:

*General Fund* - The general fund is the chief operating fund of the City. It is used to account for all resources except those required to be accounted for in another fund.

*Special Purpose Funds* - Special purpose funds are used to account for the proceeds of specific tax levies and other specific revenue sources intended for specified purposes.

*Bond and Interest Fund* - Bond and interest fund is used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

*Capital Project Funds* - Capital Project Funds are used to account for debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

*Business Funds* - Business funds are used to account for funds financed in whole or in part by fees charged to users of the goods or services.

*Agency Funds* - Agency funds are used to report assets held by the municipal reporting entity in a purely custodial capacity.

***Basis of Accounting***

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

**CITY OF ABILENE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2015

**Note 1: Summary of Significant Accounting Policies (Continued)**

***Basis of Accounting (Continued)***

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

***Budgetary Information***

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were two budget amendments in 2015: Airport Fund and Bond & Interest Fund.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: equipment reserve fund, capital improvement fund and reimbursed payroll fund.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

**CITY OF ABILENE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2015

**Note 2: Deposits and Investments**

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

As of December 31, 2015, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturity Less than 1 Year</u>	<u>Rating</u>
Money Market Treasury	\$ 145,785	NA (weighted average maturity 49 days)	S&P AAAm

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. K.S.A. 10-131 limits the City's investment of bond proceeds. The money market treasury fund used by the City meets these requirements. The City has no investment policy that would further limit its investment choices. The rating of the City's investments is noted above.

*Concentration of credit risk.* State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk - deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when coverage is 50%. The City does not utilize "peak periods".

As of December 31, 2015, the City's carrying amount of the deposits was \$6,496,189 and the bank balance was \$7,055,036. The bank balance was held by three banks, resulting in a concentration of credit risk. Of the bank balance, \$750,000 was covered by federal depository insurance, and the balance of \$6,305,036 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

*Custodial credit risk - investments.* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

**CITY OF ABILENE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2015

**Note 3: Stewardship, Compliance and Accountability**

K.S.A. 79-2935 provides that it shall be unlawful for the governing body to create indebtedness in any fund in excess of the adopted budget of expenditures of such fund. For the year ended December 31, 2015, no funds were in violation of this statute.

K.S.A. 10-1113 requires that expenditures be made in compliance with the cash basis law which requires that no indebtedness be created for a fund in excess of available monies in that fund. For the year ended December 31, 2015, there were no violations of the cash basis law.

K.S.A. 12-1608 states that second class cities are required to publish quarterly published financial statements showing, by fund, beginning and ending balances, receipts, and expenditures along with obligation/liability information. All financial statements were published for the year ended December 31, 2015.

**Note 4: Defined Benefit Pension Plan**

***Plan Description***

The City participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost-sharing multiple-employer defined benefit pension plan as provided by KSA 74-4901, *et seq.* KPERS & KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue publicly available financial reports that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas Avenue, Suite 100, Topeka, KS 66503-3803) or by calling 1-888-275-5737.

*Funding Policy.* KSA 74-4919, KSA 74-49,210 and KSA 74-4975 establish the KPERS and KP&F member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. Effective January 1, 2015, Kansas law establishes the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. KSA 74-4975 establishes KP&F member-employee contributions rate at 21.36% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 0.85% contribution rate for Death and Disability Program) and the statutory contribution rate was 9.48% for fiscal year ended December 31, 2015.

*Net Pension Liability.* The total pension liability for KPERS was determined by an actuarial valuation as of December 31, 2014, which was rolled forward to June 30, 2015. As of June 30, 2015, the net pension liability for KPERS was \$8,978,950,317. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local and KP&F subgroups within KPERS. The City's proportionate share of the net pension liability is \$1,646,798 for KP&F and \$1,231,215 for KPERS, for a total of \$2,878,013. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report, including all actuarial assumption and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publically available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described in the first paragraph.

**CITY OF ABILENE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2015

**Note 5: Other Long-Term Obligations from Operations**

Other Post Employment Benefits. As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. The City pays 50% of the premium until age 62 for retirees with 10 or more years of service and each retiree is responsible for the balance. During the year ended December 31, 2015, two retirees participated in this plan and the City paid \$5,674. Any remaining subsidy to retirees due to the plan's level premium structure has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the City under this program.

**Note 6: Capital Projects**

At year-end, capital project authorizations with approved change orders compared with expenditures from inception are as follows:

	<u>Project Authorization</u>	<u>Expenditures to Date</u>
Hospital Reconstruction	\$ 22,870,806	\$ 16,906,165
Airport Runway Rehabilitation	2,750,000	2,523,480

**Note 7: Interfund Transactions**

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	Equipment Reserve Fund	K.S.A. 12-1,117	\$ 73,192
General Fund	Convention & Tourism Fund	Commission Direction	25,000
Water Fund	General Fund	KSA 825d	59,000
Water Fund	Equipment Reserve Water Fund	KSA 825d	50,000
Water Fund	Dawson Cottage Addition Fund	KSA 825d	16,242
Sewer Fund	Dawson Cottage Addition Fund	KSA 825d	32,479
Sewer Fund	General Fund	KSA 825d	37,900
Sewer Fund	Equipment Reserve Sewer Fund	KA 12-631o	25,000
General Fund	Library Fund	K.S.A. 12-1,117	44
Storm Drainage Fund	General Fund	KSA 825d	6,375
			<u>\$ 325,232</u>

**CITY OF ABILENE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2015

**Note 8: Long-Term Debt**

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning Balance of Year	Additions	Reductions/ Payments	Balance End of Year	2015 Interest Paid
<b>General Obligation Bonds</b>									
2008 Series B	Var - 4.0%	6/1/2008	3,700,000	3,700,000	\$ 1,730,000	\$ -	\$ 1,730,000	\$ -	\$ 43,735
2009 Series A	Var - 4.3%	7/23/2009	1,780,000	1,780,000	1,420,000	-	80,000	1,340,000	53,248
2010 Series A	Var - 4.6%	4/28/2010	4,055,000	4,055,000	3,500,000	-	160,000	3,340,000	144,814
2011 Series A	Var - 3.0%	3/25/2011	2,200,000	2,200,000	1,605,000	-	210,000	1,395,000	38,118
2013 Series A	Var - 1.9%	2/27/2013	1,570,000	1,570,000	1,150,000	-	265,000	885,000	12,890
2015 Series A	Var-2.45%	8/13/2015	245,000	245,000	-	245,000	-	245,000	-
2015 Series B	Var-1.30%	8/13/2015	1,365,000	1,365,000	-	1,365,000	-	1,365,000	-
<b>Total General Obligation Bonds</b>					<b>\$ 9,405,000</b>	<b>\$ 1,610,000</b>	<b>\$ 2,445,000</b>	<b>\$ 8,570,000</b>	<b>\$ 292,805</b>
<b>Revenue Bonds</b>									
Public Building Commission Bond									
Issue - Series 2011	Var - 4.3%	12/9/2011	7,760,000	12/1/2028	\$ 7,545,000	\$ -	\$ 105,000	\$ 7,440,000	\$ 275,115
Issue - Series 2012	Var - 5.025%	1/5/2012	10,000,000	12/1/1935	10,000,000	-	-	10,000,000	490,039
<b>Total Revenue Bonds</b>					<b>\$ 17,545,000</b>	<b>\$ -</b>	<b>\$ 105,000</b>	<b>\$ 17,440,000</b>	<b>\$ 765,154</b>
<b>Revolving Loans</b>									
KDHE Waste Water Treatment Plan									
	2.58%	9/1/2006	8,620,417	9/1/2028	\$ 6,264,034	\$ -	\$ 393,355	\$ 5,870,679	\$ 143,675
<b>Temporary Notes</b>									
Dawson Cottage Addition									
	0.90%	7/18/2013	380,000	9/1/2015	\$ 380,000	\$ -	\$ 380,000	\$ -	\$ -
<b>Lease Purchase</b>									
Recycling Baler									
	2.84%	8/24/2015	69,730	9/1/2020	\$ -	\$ 69,730	\$ 12,416	\$ 57,314	\$ 43
Road Grader									
	3.20%	1/7/2015	160,300	1/1/2021	-	160,300	-	160,300	4,326
Street Sweeper									
	3.89%	12/12/2011	122,889	9/1/2017	64,235	-	20,624	43,611	2,502
<b>Total Lease Purchase</b>					<b>\$ 64,235</b>	<b>\$ 230,030</b>	<b>\$ 33,040</b>	<b>\$ 261,225</b>	<b>\$ 6,871</b>
<b>Total Contractual Indebtness</b>					<b>\$ 33,658,269</b>	<b>\$ 1,840,030</b>	<b>\$ 3,356,395</b>	<b>\$ 32,141,904</b>	<b>\$ 1,208,505</b>

**CITY OF ABILENE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2015

**Note 8: Long-Term Debt (Continued)**

Current maturities of long-term debt and interest through maturity are as follows:

Principal	Year								Total
	2016	2017	2018	2019	2020	2021 - 2025	2026 - 2030	2031 - 2035	
<b>General Obligation Bonds</b>									
2008 Series B	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2009 Series A	80,000	85,000	90,000	95,000	100,000	515,000	375,000	-	1,340,000
2010 Series A	165,000	175,000	180,000	190,000	195,000	1,090,000	1,345,000	-	3,340,000
2011 Series A	215,000	220,000	230,000	235,000	245,000	250,000	-	-	1,395,000
2013 Series A	210,000	215,000	180,000	90,000	190,000	-	-	-	885,000
2015 Series A	20,000	25,000	25,000	25,000	25,000	125,000	-	-	245,000
2015 Series B	460,000	470,000	435,000	-	-	-	-	-	1,365,000
<b>Total General Obligation Bonds</b>	<b>\$ 1,150,000</b>	<b>\$ 1,190,000</b>	<b>\$ 1,140,000</b>	<b>\$ 635,000</b>	<b>\$ 755,000</b>	<b>\$ 1,980,000</b>	<b>\$ 1,720,000</b>	<b>\$ -</b>	<b>\$ 8,570,000</b>
<b>Revenue Bonds</b>									
Public Building Commission Bond									
Issue - Series 2011	\$ 110,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 3,975,000	\$ 2,895,000	\$ -	\$ 7,440,000
Issue - Series 2012	-	-	-	-	-	-	2,835,000	7,165,000	10,000,000
<b>Total Revenue Bonds</b>	<b>\$ 110,000</b>	<b>\$ 115,000</b>	<b>\$ 115,000</b>	<b>\$ 115,000</b>	<b>\$ 115,000</b>	<b>\$ 3,975,000</b>	<b>\$ 5,730,000</b>	<b>\$ 7,165,000</b>	<b>\$ 17,440,000</b>
<b>Revolving Loans</b>									
KDHE Waste Water Treatment Plan	\$ 403,569	\$ 414,049	\$ 424,800	\$ 435,830	\$ 447,147	\$ 2,416,048	\$ 1,329,236	\$ -	\$ 5,870,679
<b>Temporary Notes</b>									
Dawson Cottage Addition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Lease Purchase</b>									
Recycling Baler	\$ 10,827	\$ 11,139	\$ 11,455	\$ 11,780	\$ 12,113	\$ -	\$ -	\$ -	\$ 57,314
Road Grader	27,593	31,603	32,630	33,690	34,784	-	-	-	160,300
Street Sweeper	21,426	22,185	-	-	-	-	-	-	43,611
<b>Total Lease Purchase</b>	<b>\$ 59,846</b>	<b>\$ 64,927</b>	<b>\$ 44,085</b>	<b>\$ 45,470</b>	<b>\$ 46,897</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 261,225</b>
<b>Total Contractual Indebtedness</b>	<b>\$ 1,723,415</b>	<b>\$ 1,783,976</b>	<b>\$ 1,723,885</b>	<b>\$ 1,231,300</b>	<b>\$ 1,364,044</b>	<b>\$ 8,371,048</b>	<b>\$ 8,779,236</b>	<b>\$ 7,165,000</b>	<b>\$ 32,141,904</b>

**CITY OF ABILENE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2015

**Note 8: Long-Term Debt (Continued)**

Current maturities of long-term debt and interest through maturity are as follows:

Interest	Year									Total
	2016	2017	2018	2019	2020	2021 - 2025	2026 - 2030	2031 - 2035	2036 - 2037	
<b>General Obligation Bonds</b>										
2009 Series A	\$ 51,168	\$ 48,848	\$ 46,213	\$ 43,243	\$ 39,918	\$ 141,204	\$ 41,153	\$ -	\$ -	\$ 411,747
2010 Series A	140,014	133,414	126,414	119,214	111,614	438,644	189,095	-	-	1,258,409
2011 Series A	34,232	30,255	25,635	20,230	14,238	7,500	-	-	-	132,090
2013 Series A	10,240	8,140	5,990	4,190	3,155	5,348	-	-	-	37,063
2015 Series A	4,426	4,075	3,825	3,488	3,125	8,477	-	-	-	27,415
2015 Series B	14,875	7,770	2,828	-	-	-	-	-	-	25,472
<b>Total General Obligation Bonds</b>	<b>\$ 254,954</b>	<b>\$ 232,502</b>	<b>\$ 210,905</b>	<b>\$ 190,365</b>	<b>\$ 172,050</b>	<b>\$ 601,173</b>	<b>\$ 230,248</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,892,195</b>
<b>Revenue Bonds</b>										
Public Building Commission Bond										
Issue - Series 2011	\$ 273,645	\$ 271,830	\$ 269,645	\$ 267,115	\$ 264,355	\$ 1,100,996	\$ 229,191	\$ -	\$ -	\$ 2,676,777
Issue - Series 2012	490,039	490,039	490,036	490,039	490,039	2,450,195	2,359,260	1,112,524	-	8,372,171
<b>Total Revenue Bonds</b>	<b>\$ 763,684</b>	<b>\$ 761,869</b>	<b>\$ 759,681</b>	<b>\$ 757,154</b>	<b>\$ 754,394</b>	<b>\$ 3,551,191</b>	<b>\$ 2,588,451</b>	<b>\$ 1,112,524</b>	<b>\$ -</b>	<b>\$ 11,048,948</b>
<b>Revolving Loans</b>										
KDHE Waste Water Treatment Plant										
	\$ 134,451	\$ 124,987	\$ 115,278	\$ 105,316	\$ 95,096	\$ 306,719	\$ 31,367	\$ -	\$ -	\$ 913,214
<b>Total KDHE Loans</b>	<b>\$ 134,451</b>	<b>\$ 124,987</b>	<b>\$ 115,278</b>	<b>\$ 105,316</b>	<b>\$ 95,096</b>	<b>\$ 306,719</b>	<b>\$ 31,367</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 913,214</b>
<b>Temporary Notes:</b>										
Dawson Cottage Addition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Lease Purchase</b>										
Recycling Baler	\$ 1,632	\$ 1,320	\$ 1,004	\$ 679	\$ 345	\$ -	\$ -	\$ -	\$ -	\$ 4,980
Road Grader	8,320	4,309	3,283	2,224	1,130	-	-	-	-	19,266
Street Sweeper	1,700	866	-	-	-	-	-	-	-	2,566
<b>Total Lease Purchases</b>	<b>\$ 11,652</b>	<b>\$ 6,495</b>	<b>\$ 4,287</b>	<b>\$ 2,903</b>	<b>\$ 1,475</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26,812</b>
<b>Total Debt</b>	<b>\$ 1,164,741</b>	<b>\$ 1,125,853</b>	<b>\$ 1,090,151</b>	<b>\$ 1,055,738</b>	<b>\$ 1,023,015</b>	<b>\$ 4,459,083</b>	<b>\$ 2,850,066</b>	<b>\$ 1,112,524</b>	<b>\$ -</b>	<b>\$ 13,881,169</b>

**CITY OF ABILENE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2015

**Note 9: Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no decreases in insurance coverage from the prior year.

**Note 10: Litigation**

The City knows of no actual or possible litigations, claims, or assessments whose effects should be considered in the preparation of the financial statement as of December 31, 2015.

**Note 11: Self-Insurance Program**

In 2010, the City implemented a partially funded self-insurance plan for its employees' health care costs. The plan is administered by Freedom Claims Management, Inc. The City is liable for losses on claims up to \$30,000 per insured and \$515,609 in total for the year. The plan has fixed costs of \$183,708. The City has third-party insurance coverage for any losses in excess of such amounts. Management believes claims incurred, but not reported, are insignificant at December 31, 2015. Changes in claims liability for 2015 and 2014 were as follows:

	<b>2015</b>	<b>2014</b>
<b>Beginning Balance</b>	\$ 83,594	\$ 89,760
Additions	569,448	532,073
Payments	555,430	538,239
<b>Ending Balance</b>	<u>\$ 97,612</u>	<u>\$ 83,594</u>

**Note 12: Compensated Absences**

The City's policy regarding vacation and leave allows employees to accumulate vacation and sick leave based on years of continuous service as follows:

Vacation leave is earned by the month. If an employee leaves the City, they are entitled to a payment of all accrued vacation pay earned prior to termination or resignation.

<u>Years of Continuous Service</u>	<u>Vacation Days Accrued (hours/year)</u>	
	<u>Regular</u>	<u>Fire Department</u>
0 - 5	80	74
5 - 10	100	92
10 - 15	120	111
15 - 20	140	129
20+	160	148

The dollar amount of accrued vacation at December 31, 2015 was \$113,146.

Sick leave is accrued at a rate of 8.0 hours per month for all employees, up to a maximum of 120 days (960 hours). Sick leave accumulated is not paid to employees except upon retirement or separation after twenty or more years of regular service, in which the employee shall receive payment for 25% of the unused sick leave, up to a maximum of one calendar month's salary.

The dollar amount of accrued sick leave at December 31, 2015 was \$27,754.

**CITY OF ABILENE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2015

**Note 13: Abilene Recreation Commission**

The Abilene Recreation Commission amended its inter-local agreement with the City, effective December 19, 2007. Under this agreement, the City receives funds from and for the Abilene Recreation Commission and pays their expenditures per their budget at their direction within the Recreation Commission fund of the City. All Recreation Commission funds are held by the City.

Management of the Commission is carried out by an appointed five member Commission. The City appoints two members, the USD 435 Board of Education appoints two members, and the fifth member is appointed collectively by the other four members of the Commission. The primary source of funding is provided by tax levies through the USD 435 Board of Education. These tax levies are forwarded by the Recreation Commission to the City and are recorded as Contract Payments in the Recreation Commission fund on page 24 of the supplemental schedules.

The Commission utilizes the City's facilities at no cost to the Commission; however, the Commission does pay for certain repairs and maintenance of the facilities.

**REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION**

**CITY OF ABILENE, KANSAS**  
**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
For the Year Ended December 31, 2015

Fund	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Fund	\$ 5,575,995	\$ -	\$ 5,575,995	\$ 4,142,439	\$ (1,433,556)
Special Revenue Funds					
Airport Fund	2,742,500	27,350	2,769,850	2,510,917	(258,933)
Fire Apparatus Fund	74,223	-	74,223	49,548	(24,675)
Special Park and Recreation Fund	35,000	-	35,000	34,233	(767)
Special Alcohol and Drug Fund	13,000	-	13,000	6,500	(6,500)
Library Fund	370,007	-	370,007	363,667	(6,340)
Tourism and Convention Fund	325,443	-	325,443	253,575	(71,868)
Special Street Fund	413,500	-	413,500	262,829	(150,671)
Recreation Commission Fund	559,067	-	559,067	411,259	(147,808)
Capital Improvement Fund	400,000	-	400,000	6,057	(393,943)
Equipment Reserve Fund	115,000	-	115,000	73,192	(41,808)
Community Center Fund	-	-	-	-	-
Library/Pool Renovation Fund	454,325	-	454,325	449,763	(4,562)
Sales Tax Street Fund	300,000	-	300,000	296,636	(3,364)
Bond and Interest	820,987	-	820,987	778,830	(42,157)
Business Funds					
Water Utility Fund	1,485,422	-	1,485,422	1,429,687	(55,735)
Sewer Utility Fund	1,658,091	-	1,658,091	1,522,685	(135,406)
Recycling Fund	160,928	-	160,928	197,696	36,768 **
Storm Drain Fund	281,375	-	281,375	6,776	(274,599)

\*\* This overage does not constitute a budget violation. The City executed a lease-purchase during 2015. The funding was received and the entire payment made to vendor.

SCHEDULE 1

See Independent Auditor's Report.

***Regulatory-Required Supplemental Information***

**CITY OF ABILENE, KANSAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
**GENERAL FUND**

For the Year Ended December 31, 2015

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2014)

<b>GENERAL FUND</b>	<u>2014</u>	<u>2015</u>		<b>Variance Over (Under)</b>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	
<b>Receipts</b>				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 1,246,385	\$ 1,289,993	\$ 1,400,802	\$ (110,809)
Delinquent Tax	24,577	26,981	12,000	14,981
Motor Vehicle Tax	141,515	224,583	166,504	58,079
Intergovernmental Revenue				
Local Sales Tax	1,263,712	1,307,005	1,240,000	67,005
Franchise Tax	746,655	683,207	683,000	207
KLINK - Highway Maintenance	30,750	30,750	30,500	250
Liquor Control Tax	12,716	25,413	16,712	8,701
Licenses and Fees				
Licenses and Permits	53,789	87,878	24,600	63,278
Fines and Penalties	141,679	170,679	163,300	7,379
Charges for Services	24,827	18,266	23,350	(5,084)
Use of Money and Property				
Interest Income	7,019	7,863	8,500	(637)
Rent	11,355	23,032	9,960	13,072
Other Receipts				
Grants	53,005	94,616	61,000	33,616
Contributions	1,650	1,500	1,800	(300)
Reimbursed Expenditures	43,003	25,990	25,000	990
Insurance Proceeds	25,839	75,567	-	75,567
Miscellaneous	28,072	39,629	22,757	16,872
Transfers From	-	112,982	156,775	(43,793)
<b>Total Receipts</b>	<u>\$ 3,856,548</u>	<u>\$ 4,245,934</u>	<u>\$ 4,046,560</u>	<u>\$ 199,374</u>

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
**GENERAL FUND**

For the Year Ended December 31, 2015

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2014)

<b>GENERAL FUND</b>	<u>2014</u>	<u>2015</u>		<b>Variance Over (Under)</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	
Departmental Expenditures				
Administrative				
Salaries and Benefits	\$ 223,427	\$ 189,406	\$ 212,077	\$ (22,671)
Contractual Services	7,781	37,834	7,500	30,334
Services and Supplies	203,563	204,866	116,075	88,791
Capital Outlay	115	4,560	500	4,060
Other	-	5,054	20,000	(14,946)
<b>Total</b>	<u>\$ 434,886</u>	<u>\$ 441,720</u>	<u>\$ 356,152</u>	<u>\$ 85,568</u>
Police				
Salaries and Benefits	\$ 974,268	\$ 1,048,415	\$ 1,082,821	\$ (34,406)
Services and Supplies	135,341	127,822	147,350	(19,528)
Capital Outlay	5,097	6,404	7,000	(596)
<b>Total</b>	<u>\$ 1,114,706</u>	<u>\$ 1,182,641</u>	<u>\$ 1,237,171</u>	<u>\$ (54,530)</u>
Fire				
Salaries and Benefits	\$ 587,358	\$ 640,725	\$ 646,128	\$ (5,403)
Services and Supplies	79,467	74,722	82,350	(7,628)
Capital Outlay	14,991	14,766	16,700	(1,934)
<b>Total</b>	<u>\$ 681,816</u>	<u>\$ 730,213</u>	<u>\$ 745,178</u>	<u>\$ (14,965)</u>
Streets and Alley				
Salaries and Benefits	\$ 314,980	\$ 307,022	\$ 282,320	\$ 24,702
Services and Supplies	354,852	297,882	311,650	(13,768)
Capital Outlay	51,189	25,412	25,626	(214)
<b>Total</b>	<u>\$ 721,021</u>	<u>\$ 630,316</u>	<u>\$ 619,596</u>	<u>\$ 10,720</u>
Bindweed and Flood Maintenance				
Salaries and Benefits	\$ 61,644	\$ 72,241	\$ 96,644	\$ (24,403)
Services and Supplies	40,706	35,786	37,500	(1,714)
<b>Total</b>	<u>\$ 102,350</u>	<u>\$ 108,027</u>	<u>\$ 134,144</u>	<u>\$ (26,117)</u>
Parks and Recreation				
Salaries and Benefits	\$ 167,870	\$ 180,116	\$ 184,354	\$ (4,238)
Services and Supplies	80,430	73,067	79,550	(6,483)
Capital Outlay	5,015	2,900	4,000	(1,100)
<b>Total</b>	<u>\$ 253,315</u>	<u>\$ 256,083</u>	<u>\$ 267,904</u>	<u>\$ (11,821)</u>
Pool				
Services and Supplies	\$ 22,935	\$ 21,545	\$ 21,550	\$ (5)

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
**GENERAL FUND**

For the Year Ended December 31, 2015

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2014)

	2014	2015		Variance Over (Under)
	Actual	Actual	Budget	
<b>GENERAL FUND</b>				
Departmental Expenditures				
Community Development				
Salaries and Benefits	\$ 138,209	\$ 139,057	\$ 144,102	\$ (5,045)
Services and Supplies	9,435	14,006	9,650	4,356
Economic Development	49,998	105,111	106,000	(889)
<b>Total</b>	<u>\$ 197,642</u>	<u>\$ 258,174</u>	<u>\$ 259,752</u>	<u>\$ (1,578)</u>
Inspection				
Salaries and Benefits	\$ 47,133	\$ 45,939	\$ 66,439	\$ (20,500)
Contractual Services	4,820	260	5,000	(4,740)
Services and Supplies	19,480	7,424	10,210	(2,786)
<b>Total</b>	<u>\$ 71,433</u>	<u>\$ 53,623</u>	<u>\$ 81,649</u>	<u>\$ (28,026)</u>
Municipal Court				
Salaries and Benefits	\$ 81,338	\$ 86,494	\$ 83,859	\$ 2,635
Contractual Services	3,527	30,740	4,000	26,740
Services and Supplies	56,593	47,715	57,325	(9,610)
<b>Total</b>	<u>\$ 141,458</u>	<u>\$ 164,949</u>	<u>\$ 145,184</u>	<u>\$ 19,765</u>
Senior Center and Transportation				
Salaries and Benefits	\$ 64,940	\$ 69,063	\$ 70,755	\$ (1,692)
Contractual Services	7,200	6,600	7,200	(600)
Services and Supplies	40,593	34,858	40,350	(5,492)
Capital Outlay	10,727	53,962	12,000	41,962
<b>Total</b>	<u>\$ 123,460</u>	<u>\$ 164,483</u>	<u>\$ 130,305</u>	<u>\$ 34,178</u>
Civic Center				
Services and Supplies	\$ 31,088	\$ 30,508	\$ 30,775	\$ (267)
Capital Outlay	4,620	1,921	1,000	921
<b>Total</b>	<u>\$ 35,708</u>	<u>\$ 32,429</u>	<u>\$ 31,775</u>	<u>\$ 654</u>
Other Expenditures				
Transfers To Other Funds	\$ 164,000	\$ 98,236	\$ 122,200	\$ (23,964)
Balance reserve	-	-	1,423,435	(1,423,435)
<b>Total</b>	<u>\$ 164,000</u>	<u>\$ 98,236</u>	<u>\$ 1,545,635</u>	<u>\$ (1,447,399)</u>
<b>Total Expenditures</b>	<u>\$ 4,064,730</u>	<u>\$ 4,142,439</u>	<u>\$ 5,575,995</u>	<u>\$ (1,433,556)</u>
Receipts Over (Under)				
Expenditures	\$ (208,182)	\$ 103,495		
Unencumbered Cash, January 1	1,492,286	1,284,604		
Prior Year Cancelled				
Encumbrances	500	-		
Unencumbered Cash, December 31	<u>\$ 1,284,604</u>	<u>\$ 1,388,099</u>		

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS  
SPECIAL PURPOSE FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis  
AIRPORT FUND**

For the Year Ended December 31, 2015

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2014)

	<u>2014</u>	<u>2015</u>		Variance Over (Under)
	Actual	Actual	Budget	
<b>AIRPORT FUND</b>				
Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 57,929	\$ 61,354	\$ 59,304	\$ 2,050
Delinquent Tax	2,023	1,648	500	1,148
Motor Vehicle Tax	13,371	5,864	7,613	(1,749)
Intergovernmental Revenue				
Grants - FAA	83,352	2,249,441	-	2,249,441
Other Receipts				
Contract Payments	14,651	17,750	17,880	(130)
Reimbursed Expenses	-	104	-	104
Refunds Received	100	180	100	80
Interest Income	49	42	30	12
<b>Total Receipts</b>	<u>\$ 171,475</u>	<u>\$ 2,336,383</u>	<u>\$ 85,427</u>	<u>\$ 2,250,956</u>
Expenditures				
Contractual Services	\$ 1,500	\$ -	\$ -	\$ -
Services and Supplies	29,880	17,761	20,000	(2,239)
Capital Outlay	1,691	2,493,156	2,722,500	(229,344)
Qualifying budget credits	-	-	27,350	(27,350)
<b>Total Expenditures</b>	<u>\$ 33,071</u>	<u>\$ 2,510,917</u>	<u>\$ 2,769,850</u>	<u>\$ (258,933)</u>
Receipts Over (Under)				
Expenditures	\$ 138,404	\$ (174,534)		
Unencumbered Cash, January 1	71,915	210,319		
Unencumbered Cash, December 31	<u>\$ 210,319</u>	<u>\$ 35,785</u>		

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS**  
**SPECIAL PURPOSE FUNDS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**

For the Year Ended December 31, 2015

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2014)

	2014	2015		Variance Over (Under)
	Actual	Actual	Budget	
<b>FIRE APPARATUS FUND</b>				
Receipts				
Ad Valorem Property Tax	\$ 49,287	\$ 48,269	\$ 50,524	\$ (2,255)
Delinquent Tax	634	888	-	888
Motor Vehicle Tax	3,517	6,130	6,558	(428)
Interest Income	14	14	10	4
Sale of Excess Equipment	25,000	-	-	-
<b>Total Receipts</b>	<b>\$ 78,452</b>	<b>\$ 55,301</b>	<b>\$ 57,092</b>	<b>\$ (1,791)</b>
Expenditures				
Principal Payment on Bond	\$ 45,000	\$ 45,000	\$ 45,000	\$ -
Interest Payment on Bond	5,923	4,548	5,473	(925)
Commission and Postage	-	-	100	(100)
Capital Outlay/Special Projects	-	-	23,650	(23,650)
<b>Total Expenditures</b>	<b>\$ 50,923</b>	<b>\$ 49,548</b>	<b>\$ 74,223</b>	<b>\$ (24,675)</b>
Receipts Over (Under)				
Expenditures	\$ 27,529	\$ 5,753		
Unencumbered Cash, January 1	14,865	42,394		
Unencumbered Cash, December 31	<b>\$ 42,394</b>	<b>\$ 48,147</b>		
<b>SPECIAL PARK AND RECREATION FUND</b>				
Receipts				
Alcohol Tax	\$ 16,368	\$ 26,167	\$ 16,712	\$ 9,455
Interest Income	11	9	25	(16)
Sale of Property	5,485	-	-	-
Gifts and Donations	905	10,744	-	10,744
<b>Total Receipts</b>	<b>\$ 22,769</b>	<b>\$ 36,920</b>	<b>\$ 16,737</b>	<b>\$ 20,183</b>
Expenditures				
Capital Outlay	\$ 19,069	\$ 34,233	\$ 35,000	\$ (767)
Receipts Over (Under)				
Expenditures	\$ 3,700	\$ 2,687		
Unencumbered Cash, January 1	46,821	50,521		
Unencumbered Cash, December 31	<b>\$ 50,521</b>	<b>\$ 53,208</b>		

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS**  
**SPECIAL PURPOSE FUNDS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**

For the Year Ended December 31, 2015

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2014)

	<u>2014</u>		<u>2015</u>		Variance Over (Under)
	Actual	Actual	Budget	Budget	
<b>SPECIAL ALCOHOL AND DRUG FUND</b>					
Receipts					
Alcohol Tax	\$ 12,716	\$ 25,413	\$ 16,712	\$ 8,701	
Interest Income	14	15	10	5	
<b>Total Receipts</b>	<u>\$ 12,730</u>	<u>\$ 25,428</u>	<u>\$ 16,722</u>	<u>\$ 8,706</u>	
Expenditures					
Awards and Contributions	\$ 1,500	\$ 6,500	\$ 1,500	\$ 5,000	
D.A.R.E Activities	6,000	-	6,000	(6,000)	
Services and Supplies	-	-	5,500	(5,500)	
<b>Total Expenditures</b>	<u>\$ 7,500</u>	<u>\$ 6,500</u>	<u>\$ 13,000</u>	<u>\$ (6,500)</u>	
Receipts Over (Under)					
Expenditures	\$ 5,230	\$ 18,928			
Unencumbered Cash, January 1	50,037	55,267			
Unencumbered Cash, December 31	<u>\$ 55,267</u>	<u>\$ 74,195</u>			
<b>LIBRARY FUND</b>					
Receipts					
Ad Valorem Property Tax	\$ 310,947	\$ 304,659	\$ 328,625	\$ (23,966)	
Delinquent Tax	5,804	15,848	-	15,848	
Motor Vehicle Tax	34,189	43,116	41,382	1,734	
Transfer from General Fund	-	44	-	44	
<b>Total Receipts</b>	<u>\$ 350,940</u>	<u>\$ 363,667</u>	<u>\$ 370,007</u>	<u>\$ (6,384)</u>	
Expenditures					
Appropriation to Library	\$ 350,940	\$ 363,667	\$ 370,007	\$ (6,340)	
Receipts Over (Under)					
Expenditures	\$ -	\$ -			
Unencumbered Cash, January 1	-	-			
Unencumbered Cash, December 31	<u>\$ -</u>	<u>\$ -</u>			

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS**  
**SPECIAL PURPOSE FUNDS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**

For the Year Ended December 31, 2015

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2014)

TOURISM AND CONVENTION FUND	2014	2015		Variance Over (Under)
	Actual	Actual	Budget	
<b>Receipts</b>				
Transient Guest Tax	\$ 131,758	\$ 183,570	\$ 130,000	\$ 53,570
Charges for Services	24,229	23,392	24,641	(1,249)
Gifts and Donations	-	-	50	(50)
Interest Income	12	12	10	2
Reimbursed Expenses	29,514	35,211	55,000	(19,789)
Refunds Received	40	329	-	329
Miscellaneous Revenue	34,234	24,874	94,500	(69,626)
Transfer from General	-	25,000	25,000	-
<b>Total Receipts</b>	<u>\$ 219,787</u>	<u>\$ 292,388</u>	<u>\$ 329,201</u>	<u>\$ (36,813)</u>
<b>Expenditures</b>				
Salaries and Benefits	\$ 121,611	\$ 131,092	\$ 147,023	\$ (15,931)
Services and Supplies	95,022	113,513	166,800	(53,287)
Capital Outlay	2,377	1,655	3,000	(1,345)
Trolley Expenses	6,484	7,315	8,620	(1,305)
<b>Total Expenditures</b>	<u>\$ 225,494</u>	<u>\$ 253,575</u>	<u>\$ 325,443</u>	<u>\$ (71,868)</u>
Receipts Over (Under)				
Expenditures	\$ (5,707)	\$ 38,813		
Unencumbered Cash, January 1	40,955	35,248		
Unencumbered Cash, December 31	<u>\$ 35,248</u>	<u>\$ 74,061</u>		
<b>SPECIAL STREET FUND</b>				
<b>Receipts</b>				
Fuel Tax	\$ 173,862	\$ 174,073	\$ 174,130	\$ (57)
KDOT Funds	-	116,892	200,000	(83,108)
Interest Income	993	820	1,200	(380)
Reimbursed Expenses	-	2,677	65,000	(62,323)
<b>Total Receipts</b>	<u>\$ 174,855</u>	<u>\$ 294,462</u>	<u>\$ 440,330</u>	<u>\$ (145,868)</u>
<b>Expenditures</b>				
Services and Supplies	\$ 22,227	\$ 24,191	\$ 26,500	\$ (2,309)
Capital Outlay	306,739	238,638	387,000	(148,362)
<b>Total Expenditures</b>	<u>\$ 328,966</u>	<u>\$ 262,829</u>	<u>\$ 413,500</u>	<u>\$ (150,671)</u>
Receipts Over (Under)				
Expenditures	\$ (154,111)	\$ 31,633		
Unencumbered Cash, January 1	118,513	(31,537)		
Prior year cancelled encumbrances	4,061	-		
Unencumbered Cash, December 31	<u>\$ (31,537)</u>	<u>\$ 96</u>		

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS  
SPECIAL PURPOSE FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis  
RECREATION COMMISSION FUND**

For the Year Ended December 31, 2015

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2014)

RECREATION COMMISSION FUND	2014		2015		Variance Over (Under)
	Actual	Actual	Budget		
<b>Receipts</b>					
Contract Payments	\$ 234,874	\$ 258,261	\$ 256,317	\$ 1,944	
Fees	180,868	201,381	193,650	7,731	
Interest Income	60	60	100	(40)	
Grants	-	1,296	11,000	(9,704)	
<b>Total Receipts</b>	<b>\$ 415,802</b>	<b>\$ 460,998</b>	<b>\$ 461,067</b>	<b>\$ (69)</b>	
<b>Expenditures</b>					
Administration					
Salaries and Benefits	\$ 160,225	\$ 170,235	\$ 176,153	\$ (5,918)	
Contractual Services	3,100	3,050	3,250	(200)	
Services and Supplies	26,395	23,746	28,750	(5,004)	
Capital Outlay	429	278	6,000	(5,722)	
Aquatics					
Salaries and Benefits	61,750	57,394	71,578	(14,184)	
Services and Supplied	12,546	15,371	23,000	(7,629)	
Athletics					
Salaries and Benefits	16,249	17,666	22,195	(4,529)	
Services and Supplies	50,539	58,032	63,000	(4,968)	
Community Education					
Salaries and Benefits	2,616	13,261	5,549	7,712	
Services and Supplies	2,636	3,871	7,900	(4,029)	
Community Center					
Salaries and Benefits	6,201	246	-	246	
Contractual Services	-	-	22,000	(22,000)	
Services and Supplies	45,748	48,109	54,665	(6,556)	
Special Projects	3,105	-	75,027	(75,027)	
<b>Total Expenditures</b>	<b>\$ 391,539</b>	<b>\$ 411,259</b>	<b>\$ 559,067</b>	<b>\$ (147,808)</b>	
<b>Receipts Over (Under)</b>					
Expenditures	\$ 24,263	\$ 49,739			
Unencumbered Cash, January 1	144,964	169,226			
Unencumbered Cash, December 31	<u>\$ 169,227</u>	<u>\$ 218,965</u>			

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS**  
**SPECIAL PURPOSE FUNDS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
**CAPITAL IMPROVEMENT FUND**

For the Year Ended December 31, 2015

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2014)

	<u>2014</u>	<u>2015</u>		Variance Over (Under)
	Actual	Actual	Budget	
<b>CAPITAL IMPROVEMENT FUND</b>				
Receipts				
Ad Valorem Property Tax	\$ -	\$ 1,042	\$ -	\$ 1,042
Delinquent Tax	484	244	200	44
Motor Vehicle Tax	2,925	25	-	25
Interest Income	137	106	150	(44)
<b>Total Receipts</b>	<u>\$ 3,546</u>	<u>\$ 1,417</u>	<u>\$ 350</u>	<u>\$ 1,067</u>
Expenditures				
Special Projects	\$ -	\$ -	\$ 400,000	\$ (400,000)
Transfer to General Fund	-	6,057	-	6,057
<b>Total Expenditures</b>	<u>\$ -</u>	<u>\$ 6,057</u>	<u>\$ 400,000</u>	<u>\$ (393,943)</u>
Receipts Over (Under)				
Expenditures	\$ 3,546	\$ (4,640)		
Unencumbered Cash, January 1	480,919	484,465		
Unencumbered Cash, December 31	<u>\$ 484,465</u>	<u>\$ 479,825</u>		

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS**  
**SPECIAL PURPOSE FUNDS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**

For the Year Ended December 31, 2015

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2014)

	2014	2015		Variance Over (Under)
	Actual	Actual	Budget	
<b>EQUIPMENT RESERVE FUND</b>				
Receipts				
Interest Income	\$ 18	\$ 18	\$ 70	\$ (52)
Sale of Equipment	12,180	-	-	-
Transfer from General	164,000	73,192	95,000	(21,808)
<b>Total Receipts</b>	<u>\$ 176,198</u>	<u>\$ 73,210</u>	<u>\$ 95,070</u>	<u>\$ (21,860)</u>
Expenditures				
Capital Outlay	\$ 160,478	\$ 73,192	\$ 115,000	\$ (41,808)
Receipts Over (Under)				
Expenditures	\$ 15,720	\$ 18		
Unencumbered Cash, January 1	147,859	163,579		
Unencumbered Cash, December 31	<u>\$ 163,579</u>	<u>\$ 163,597</u>		
<b>COMMUNITY CENTER FUND</b>				
Receipts				
Interest Income	\$ 44	\$ 33	\$ 60	\$ (27)
Expenditures				
Capital Outlay	\$ -	\$ -	\$ -	\$ -
Receipts Over (Under)				
Expenditures	\$ 44	\$ 33		
Unencumbered Cash, January 1	153,847	153,891		
Unencumbered Cash, December 31	<u>\$ 153,891</u>	<u>\$ 153,924</u>		
<b>LIBRARY/POOL RENOVATION FUND</b>				
Receipts				
Sales Tax Distribution	\$ 458,555	\$ 480,197	\$ 458,611	\$ 21,586
Bond Issuance Costs	-	19,432	-	19,432
Interest Income	55	49	100	(51)
<b>Total Receipts</b>	<u>\$ 458,610</u>	<u>\$ 499,678</u>	<u>\$ 458,711</u>	<u>\$ 40,967</u>
Expenditures				
Bond Principal	\$ 370,000	\$ 395,000	\$ 395,000	\$ -
Bond Interest	72,625	36,921	59,225	(22,304)
Bond Issuance Costs	-	17,842	100	17,742
<b>Total Expenditures</b>	<u>\$ 442,625</u>	<u>\$ 449,763</u>	<u>\$ 454,325</u>	<u>\$ (4,562)</u>
Receipts Over (Under)				
Expenditures	\$ 15,985	\$ 49,915		
Unencumbered Cash, January 1	281,818	297,803		
Unencumbered Cash, December 31	<u>\$ 297,803</u>	<u>\$ 347,718</u>		

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS  
SPECIAL PURPOSE FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis  
SALES TAX STREET FUND**

For the Year Ended December 31, 2015  
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2014)

	<u>2014</u>	<u>2015</u>		Variance Over (Under)
	Actual	Actual	Budget	
<b>SALES TAX STREET FUND</b>				
Receipts				
Sales Tax	\$ 327,559	\$ 343,019	\$ 325,000	\$ 18,019
Interest Income	69	63	25	38
<b>Total Receipts</b>	<u>\$ 327,628</u>	<u>\$ 343,082</u>	<u>\$ 325,025</u>	<u>\$ 18,057</u>
Expenditures				
Capital Outlay	\$ 370,642	\$ 296,636	\$ 300,000	\$ (3,364)
Receipts Over (Under)				
Expenditures	\$ (43,014)	\$ 46,446		
Unencumbered Cash, January 1	189,715	146,701		
Unencumbered Cash, December 31	<u>\$ 146,701</u>	<u>\$ 193,147</u>		

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS**  
**BOND AND INTEREST FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
**BOND AND INTEREST FUND**

For the Year Ended December 31, 2015

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2014)

	<u>2014</u>	<u>2015</u>		Variance Over (Under)
	Actual	Actual	Budget	
<b>BOND AND INTEREST FUND</b>				
Receipts				
Ad Valorem Property Tax	\$ 420,217	\$ 478,560	\$ 519,674	\$ (41,114)
Delinquent Tax	6,988	8,403	4,000	4,403
Motor Vehicle Tax	44,110	75,468	56,040	19,428
Special Assessments	179,608	298,273	196,816	101,457
Interest Income	1,368	1,540	1,500	40
<b>Total Receipts</b>	<u>\$ 652,291</u>	<u>\$ 862,244</u>	<u>\$ 778,030</u>	<u>\$ 84,214</u>
Expenditures				
Bond Principal	\$ 545,000	\$ 540,000	\$ 593,248	\$ (53,248)
Bond Interest	249,764	238,830	185,581	53,249
Commission and Postage	-	-	42,158	(42,158)
<b>Total Expenditures</b>	<u>\$ 794,764</u>	<u>\$ 778,830</u>	<u>\$ 820,987</u>	<u>\$ (42,157)</u>
Receipts Over (Under)				
Expenditures	\$ (142,473)	\$ 83,414		
Unencumbered Cash, January 1	101,218	(41,255)		
Unencumbered Cash, December 31	<u>\$ (41,255)</u>	<u>\$ 42,159</u>		

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS  
CAPITAL PROJECT FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis**

**DAWSON COTTAGE ADDITION FUND**

For the Year Ended December 31, 2015

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2014)

	<b>2014</b>	<b>2015</b>
	<b>Actual</b>	<b>Actual</b>
<b>DAWSON COTTAGE ADDITION FUND</b>		
Receipts		
Interest Income	\$ 9	\$ 2
Transfers in	-	48,721
<b>Total Receipts</b>	<b>\$ 9</b>	<b>\$ 48,723</b>
Expenditures		
Administrative Fees	\$ -	\$ 327
Note Interest	3,772	1,710
Issuance Costs Series 2015A/B	-	153,166
<b>Total Expenditures</b>	<b>\$ 3,772</b>	<b>\$ 155,203</b>
Receipts Over (Under)		
Expenditures	\$ (3,763)	\$ (106,480)
Unencumbered Cash, January 1	35,419	31,656
Unencumbered Cash, December 31	<b>\$ 31,656</b>	<b>\$ (74,824)</b>

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS  
BUSINESS FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis  
WATER UTILITY FUND**

For the Year Ended December 31, 2015

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2014)

	<u>2014</u>	<u>2015</u>		Variance Over (Under)
	Actual	Actual	Budget	
<b>WATER UTILITY FUND</b>				
Receipts				
Charges for Services	\$ 1,531,334	\$ 1,425,899	\$ 1,594,300	\$ (168,401)
Sales Tax	169	8	800	(792)
Fines and Penalties	25,596	23,386	22,000	1,386
Reimbursed Expenses	2,040	2,043	2,000	43
Interest Income	4,418	5,143	4,000	1,143
Bond Proceeds	-	-	-	-
Antenna Fees	12,632	-	12,500	(12,500)
Miscellaneous Fees	16,738	31,532	6,700	24,832
<b>Total Receipts</b>	<u>\$ 1,592,927</u>	<u>\$ 1,488,011</u>	<u>\$ 1,642,300</u>	<u>\$ (154,289)</u>
Expenditures				
Wells Production and Water Treatment Plan				
Salaries and Benefits	\$ 159,966	\$ 184,856	\$ 193,888	\$ (9,032)
Contractual Services	4,850	-	-	-
Services and Supplies	278,337	239,437	277,600	(38,163)
Capital Outlay	40,578	-	-	-
Water Distribution				
Salaries and Benefits	179,482	211,087	217,448	(6,361)
Services and Supplies	231,460	294,832	274,550	20,282
Capital Outlay	54,601	57,951	61,500	(3,549)
Commercial				
Salaries and Benefits	111,516	117,856	126,843	(8,987)
Contractual Services	9,230	10,233	8,000	2,233
Services and Supplies	96,351	82,500	99,025	(16,525)
Capital Outlay	-	12,000	7,000	5,000
Debt Service				
Principal Payments	90,000	90,000	90,000	-
Interest Payments	5,068	3,693	4,168	(475)
Commissions and Postage	-	-	100	(100)
Lease Purchase	138,117	-	-	-
Transfer to General	-	125,242	125,300	(58)
<b>Total Expenditures</b>	<u>\$ 1,399,556</u>	<u>\$ 1,429,687</u>	<u>\$ 1,485,422</u>	<u>\$ (55,735)</u>
Receipts Over (Under)				
Expenditures	\$ 193,371	\$ 58,324		
Unencumbered Cash, January 1	103,753	297,279		
Prior year cancelled encumbrances	155	-		
Unencumbered Cash, December 31	<u>\$ 297,279</u>	<u>\$ 355,603</u>		

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS  
BUSINESS FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis  
SEWER UTILITY FUND**

For the Year Ended December 31, 2015

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2014)

	<u>2014</u>	<u>2015</u>		Variance Over (Under)
	Actual	Actual	Budget	
<b>SEWER UTILITY FUND</b>				
Receipts				
Charges for Services	\$ 1,390,199	\$ 1,330,562	\$ 1,400,500	\$ (69,938)
Interest Income	2,714	2,672	7,200	(4,528)
Reimbursed Expenses	1,265	2,016	-	2,016
Refunds	4,231	7,127	-	7,127
<b>Total Receipts</b>	<u>\$ 1,398,409</u>	<u>\$ 1,342,377</u>	<u>\$ 1,407,700</u>	<u>\$ (65,323)</u>
Expenditures				
Collection				
Salaries and Benefits	\$ 81,423	\$ 89,893	\$ 116,291	\$ (26,398)
Services and Supplies	46,694	41,252	46,900	(5,648)
Capital Outlay	21,096	77,383	77,500	(117)
Wastewater Treatment Plant				
Salaries and Benefits	140,586	152,015	157,051	(5,036)
Services and Supplies	293,886	263,088	343,900	(80,812)
Capital Outlay	2,518	15,359	17,500	(2,141)
Commercial				
Salaries and Benefits	111,266	117,846	126,476	(8,630)
Contractual Services	9,230	10,233	8,000	2,233
Services and Supplies	57,452	50,791	61,025	(10,234)
Capital Outlay	-	15,000	14,000	1,000
Debt Service				
Principal Payments	423,400	433,355	433,356	(1)
Interest Payments	154,666	145,675	145,276	399
Commissions and Postage	16,376	15,416	15,416	-
Transfer to General	-	95,379	95,400	(21)
<b>Total Expenditures</b>	<u>\$ 1,358,593</u>	<u>\$ 1,522,685</u>	<u>\$ 1,658,091</u>	<u>\$ (135,406)</u>
Receipts Over (Under)				
Expenditures	\$ 39,816	\$ (180,308)		
Unencumbered Cash, January 1	1,300,462	1,340,278		
Unencumbered Cash, December 31	<u>\$ 1,340,278</u>	<u>\$ 1,159,970</u>		

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS  
SPECIAL PURPOSE FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis**

For the Year Ended December 31, 2015

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2014)

	<u>2014</u>	<u>2015</u>		Variance Over (Under)
	Actual	Actual	Budget	
<b>EQUIPMENT RESERVE - WATER FUND</b>				
Interest Income	\$ 46	\$ 37	\$ 100	\$ (63)
Transfer from other funds	-	50,000	50,000	-
	<u>\$ 46</u>	<u>\$ 50,037</u>	<u>\$ 50,100</u>	<u>\$ (63)</u>
Expenditures				
Capital Outlay	\$ 1,481	\$ 5,096	\$ -	\$ 5,096
Receipts Over (Under)				
Expenditures	\$ (1,435)	\$ 44,941		
Unencumbered Cash, January 1	163,971	162,536		
Unencumbered Cash, December 31	<u>\$ 162,536</u>	<u>\$ 207,477</u>		
<b>EQUIPMENT RESERVE - SEWER</b>				
Receipts				
Interest Income	\$ 179	\$ 138	\$ 250	\$ (112)
Transfer from Sewer	-	25,000	25,000	-
Total Receipts	<u>\$ 179</u>	<u>\$ 25,138</u>	<u>\$ 25,250</u>	<u>\$ (112)</u>
Expenditures				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over (Under)				
Expenditures	\$ 179	\$ 25,138		
Unencumbered Cash, January 1	630,781	630,960		
Unencumbered Cash, December 31	<u>\$ 630,960</u>	<u>\$ 656,098</u>		

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS**  
**BUSINESS FUNDS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**

For the Year Ended December 31, 2015

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2014)

	2014	2015		Variance Over (Under)
	Actual	Actual	Budget	
<b>RECYCLING FUND</b>				
Receipts				
Charges for Services	\$ 56,883	\$ 56,437	\$ 58,000	\$ (1,563)
Interest Income	80	51	125	(74)
Refunds Received	100	266	-	266
Reimbursed expenses	-	69,939	-	69,939
Miscellaneous Income	24,563	22,715	35,000	(12,285)
<b>Total Receipts</b>	<u>\$ 81,626</u>	<u>\$ 149,408</u>	<u>\$ 93,125</u>	<u>\$ 56,283</u>
Expenditures				
Salaries and Benefits	\$ 17,591	\$ 23,095	\$ 43,658	\$ (20,563)
Contractual Services	74,000	67,833	74,000	(6,167)
Services and Supplies	24,754	22,938	24,470	(1,532)
Capital Outlay	-	83,830	14,100	69,730
Transfer to General Fund	-	-	4,700	(4,700)
<b>Total Expenditures</b>	<u>\$ 116,345</u>	<u>\$ 197,696</u>	<u>\$ 160,928</u>	<u>\$ 36,768</u>
Receipts Over (Under)				
Expenditures	\$ (34,719)	\$ (48,288)		
Unencumbered Cash, January 1	284,188	249,469		
Unencumbered Cash, December 31	<u>\$ 249,469</u>	<u>\$ 201,181</u>		
<b>STORM DRAIN FUND</b>				
Receipts				
Charges for Services	\$ 68,879	\$ 67,717	\$ 130,500	\$ (62,783)
Reimbursed Expenses	791	1,583	-	1,583
Interest Income	90	86	100	(14)
<b>Total Receipts</b>	<u>\$ 69,760</u>	<u>\$ 69,386</u>	<u>\$ 130,600</u>	<u>\$ (61,214)</u>
Expenditures				
Contractual Services	\$ -	\$ -	\$ 75,000	\$ (75,000)
Capital Outlay	1,187	401	200,000	(199,599)
Transfer from General	-	6,375	6,375	-
<b>Total Expenditures</b>	<u>\$ 1,187</u>	<u>\$ 6,776</u>	<u>\$ 281,375</u>	<u>\$ (274,599)</u>
Receipts Over (Under)				
Expenditures	\$ 68,573	\$ 62,610		
Unencumbered Cash, January 1	292,266	360,839		
Unencumbered Cash, December 31	<u>\$ 360,839</u>	<u>\$ 423,449</u>		

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS**  
**AGENCY FUNDS**  
**SUMMARY OF RECEIPTS AND DISBURSEMENTS**  
**Regulatory Basis**  
 For the Year Ended December 31, 2015

<b>FUND</b>	<b>Beginning Cash Balance</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Ending Cash Balance</b>
Municipal Court	\$ 13,400	\$ 26,192	\$ 27,242	\$ 12,350
Payroll Clearing Funds	(3,899)	-	-	(3,899)
<b>Total Agency Funds</b>	<u>\$ 9,501</u>	<u>\$ 26,192</u>	<u>\$ 27,242</u>	<u>\$ 8,451</u>

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS  
RELATED MUNICIPAL ENTITY  
PUBLIC BUILDING COMMISSION  
SCHEDULE OF RECEIPTS AND EXPENDITURES  
Regulatory Basis**

For the Year Ended December 31, 2015

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2014)

<b>PBC HOSPITAL PROJECT</b>	<u>2014</u>	<u>2015</u>
Receipts		
Lease Payments	\$ 875,324	\$ 870,712
Reimbursements	3,180	-
Interest Income	386	36
<b>Total Receipts</b>	<u>\$ 878,890</u>	<u>\$ 870,748</u>
Expenditures		
Construction Costs	\$ 4,070,126	\$ 240,413
2011 Bond Principal	110,001	105,000
2011 Bond Interest	276,325	275,115
2012 Bond Interest	490,038	490,039
Services and Supplies	3,180	-
<b>Total Expenditures</b>	<u>\$ 4,949,670</u>	<u>\$ 1,110,567</u>
Receipts Over (Under) Expenditures	\$ (4,070,780)	\$ (239,819)
Unencumbered Cash, January 1	4,456,384	385,604
<b>Unencumbered Cash, December 31</b>	<u>\$ 385,604</u>	<u>\$ 145,785</u>

*Regulatory-Required Supplemental Information*



July 28, 2016

Mayor and City Council  
City of Abilene, Kansas

**Independent Auditor's Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters Based on an Audit of  
Financial Statements Performed in Accordance with *Government Auditing Standards***

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the City of Abilene, Kansas (the City), which is comprised of the summary statement of receipts, expenditures and unencumbered cash as of and for the year ended December 31, 2015, and the related notes to the financial statement and have issued our report thereon dated July 28, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitation, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

July 28, 2016  
City of Abilene, Kansas  
(Continued)

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Varney & Associates, CPAs, LLC*

Certified Public Accountants  
Manhattan, Kansas



July 28, 2016

Mayor and City Council  
City of Abilene, Kansas

**Independent Auditor's Report on Compliance for Each Major Federal Program  
And Report on Internal Control Over Compliance  
In Accordance with the Uniform Guidance**

**Report on Compliance for Each Major Federal Program**

We have audited the compliance of the City of Abilene, Kansas (the City), with the types of compliance requirements described in the U.S. Office of Management and Budget (*OMB Compliance Supplement*) that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2015. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

July 28, 2016  
City of Abilene, Kansas  
(Continued)

### **Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance**

We have audited the financial statement of the City as of and for the year ended December 31, 2015, and have issued our report thereon dated July 28, 2016, which contained an unqualified opinion on the financial statement. Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statement as a whole.

July 28, 2016  
City of Abilene, Kansas  
(Continued)

This report is intended solely for the information and use of management, others within the entity, the governing body, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Varney & Associates, CPAs, LLC*

Certified Public Accountants  
Manhattan, Kansas

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# *Independent Auditor's Report*

**CITY OF ABILENE, KANSAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended December 31, 2015

<u>Federal Grantor/Pass-through Grantor - Program Title</u>	<u>Grant No</u>	<u>Pass-Through No</u>	<u>Federal C.F.D.A. Number</u>	<u>Federal Expenditures</u>
<b>US Department of Transportation</b>				
Airport Improvement Program Passed through the Kansas Department of Transportation	3-20-0001-010-2014	NA	20.526	* \$ 2,475,000
Bus and Bus Facilities Formula Program	PT533915	KS34000200	20.106	<u>43,170</u>
<b>Total Federal Expenditures</b>				<u><u>\$ 2,518,170</u></u>

**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**NOTE A - BASIS OF PRESENTATION**

This schedule is prepared on a basis of accounting which demonstrates compliance with the cash basis. Cash receipts are recognized when the cash balance of a fund is increased. Cash disbursements are recognized when the cash balance of a fund is decreased. Expenditures include disbursements, accounts payable and encumbrances.

**NOTE B - OTHER EXPENDITURES**

The City did not received any federal awards in the form of noncash assistance, insurance, loans, or loan guarantees and incurred no expenditures in relation thereof for the year ended December 31, 2015.

**NOTE C - INDIRECT COST RATE**

The City does not allocate indirect costs to its federal award program. Accordingly, use of the 10% de minimis indirect cost rate provisioned by the Uniform Guidance Section 414, is not applicable.

\*Major Programs

**CITY OF ABILENE, KANSAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended December 31, 2015

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting material weaknesses identified? \_\_\_ Yes       X  No

Significant deficiencies identified not considered to be material weaknesses? \_\_\_ Yes       X  None reported

Noncompliance material to financial statements noted? \_\_\_ Yes       X  No

**Federal Awards**

Internal controls over major programs: Material weaknesses identified? \_\_\_ Yes       X  No

Significant deficiencies identified not considered to be material weaknesses? \_\_\_ Yes       X  None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200.516(a)? \_\_\_ Yes       X  No

Identification of major programs: CFDA Number

Airport Improvement Program 20.526

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as a low-risk auditee? \_\_\_ Yes       X  No

**Section II - Financial Statement Findings**

No matters were reported.

**Section III - Federal Award Findings and Quested Costs**

No matters were reported.

**CITY OF ABILENE, KANSAS**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
For the Year Ended December 31, 2015

**FINDINGS - FINANCIAL STATEMENTS AUDIT AND MAJOR FEDERAL AWARDS AUDIT**

There were no findings or questioned costs for the year ended December 31, 2014.